

**REQUIREMENTS FOR ISSUER-DEALER
REGISTRATION UNDER RULE R14-4-134G (ULOR/SCOR OFFERINGS)**

Initial Registration

Registration as an Issuer Dealer:

1. Form BD, manually signed and notarized. (Rev. 7/99) [See R14-4-134(G) and A.R.S. § 44-1941]
2. In an offering to raise \$500,000 to \$1,000,000, an audit report from an independent certified public accountant together with a balance sheet, related statements of income (loss), stockholders' equity or retained earnings and cash flows prepared in accordance with generally accepted accounting principles as of the most recent practicable date. In some instances it may be necessary to furnish unaudited financial statements as of a current date when the audited financial statements are more than 90 days old. [See R14-4-134(E) and Form U-7]

In an offering to raise up to \$500,000, a review report from an independent certified public accountant together with a balance sheet, related statements of income (loss), stockholders' equity or retained earnings and cash flows prepared in accordance with generally accepted accounting principles as of the most recent practicable date. In some instances it may be necessary to furnish financial statements prepared by management that are not reviewed as of a current date when the reviewed financial statements are more than 90 days old. [See R14-4-134(E) and Form U-7]

3. A consent signed by the firm's independent certified public accountants permitting the use of their audit or review report which accompanies the financial statements filed with the application. Refer to Rule R14-4-120(D). No specific language is required for the consent.
4. Brief description of the proposed method of sale of the securities. [See R14-4-134(G)]
5. Affidavit Regarding Offers of ULOR securities (form attached). [See R14-4-134(G) and A.R.S. § 44-1942]
6. Form U-4 with original signatures (affirmative answers to questions require complete details, and documentation) for any individual conducting sales activity.
7. Fingerprints of any person conducting sales activity, who is not a bona fide executive officer or partner of an issuer (see No. 1 below, under "Registration of sales agent"). [See R14-4-122]
8. Registration fee of \$100 (check payable to Arizona Corporation Commission). See A.R.S. § 44-1861(B)

Registration of sales agent:

1. A bona fide executive officer or partner of an issuer who will not receive sales related compensation is not required to register as a sales agent. A bona fide officer is the president, any vice president in charge of a principal business unit or division, the secretary, the treasurer, the chief executive officer, the chief financial officer, the chief operating officer, or an officer who performs a principal policy making function for a principal business unit or division. Any individual, other than a bona fide officer or partner, conducting sales activity must register as a sales agent. [See A.R.S. § 44-1801(20) and A.A.C. R14-4-133.]
 2. Form U-4 with original signatures. [See A.R.S. § 44-1945]
 3. A complete set of fingerprints, accompanied by a \$24 fingerprint processing fee (check payable to Arizona Corporation Commission). This check must be separate from the check for the registration fee, and the fingerprints must be processed using fingerprint cards from the Arizona Department of Public Safety (“DPS”); blank DPS fingerprint cards are available from the Securities Division upon request. Please note that once the cards have been submitted to the Division and then forwarded to DPS for processing, the background check can take up to approximately four weeks before the results are sent to the Division. [See R14-4-122]
 4. Affidavit (form attached). [See A.R.S. § 44-1942]
 5. \$40 registration fee (check payable to Arizona Corporation Commission). [See A.R.S. § 44-1861(A)(2)]
 6. USASLE Series 63 Uniform State Law Exam. [See A.R.S. § 44-1942 and R14-4-109]
 7. Series 62 Corporate Securities Representative or Series 7 General Securities Representative or Series 2 Non-Member General Securities Exams for any person offering securities. (*)[See A.R.S. § 44-1942 and R14-4-109]
- (*) Examination requirements may be waived by the Director of Securities upon showing of equivalent financial or brokerage experience. This requirement may also be waived if the offering will be sold only by a bona fide officer or director of the issuer.



All of the above documents must be furnished at the time of the initial filing. Applications for registration as a dealer will be processed in accordance with the terms of A.A.C. R14-4-147.

If you have any questions, please contact Lee Poole at (602) 542-4242.